



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah Department of Commerce Division of Securities

FRANCINE A. GIANI  
Executive Director

JASON P. PERRY  
Deputy Director

WAYNE KLEIN  
Director of Securities

**NEWS RELEASE**

## **CON MAN SENTENCED FOR STEALING COMPANY**

April 10, 2006. Salt Lake City, Utah . . . The Utah Division of Securities announced that Kenneth W. Webb, 45, was sentenced today for fraudulently persuading a company owner to transfer ownership of a company and its assets to him. Webb, from Salt Lake County, pleaded guilty on January 30, 2006 to attempted securities fraud, a third degree felony.

In April 2005, Webb was charged one count of securities fraud (a second degree felony) for making false statements and omitting to disclose material information in connection with the offer or sale of an investment. Webb had told the owners of Exotic Media that they were in violation of Utah's securities laws and had to transfer ownership of the company to him to avoid criminal charges. Exotic Media published *Exotic Cars Magazine*. Webb initially was hired as a consultant to Exotic Media, then told the owners they were in violation of the law. He falsely claimed to be an intermediary with the Utah Division of Securities and said the owners could avoid jail only by transferring the company and its assets to him.

The fraudulent statements included claims the company's books had been reviewed by the Division of Securities, that the company was in violation of the law, that Webb could help them avoid criminal prosecution if they gave him the company and its assets, and that the owners would be granted immunity. Webb failed to disclose that he had a criminal history of bad checks and drug violations and unpaid tax liens of more than \$150,000.

Webb was sentenced to three years probation, 200 hours of community service, restitution of \$3,800, and an order that he complete mental health evaluation and treatment programs.